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BOTTOM UP REVIEW—TALKING POINTS

- In a new security environment, the Department of Defense was confronted with the questions: How do we structure the armed forces of the United States for the future? How much defense is enough in the post-Cold War, post-Soviet era?

With these questions in mind, we undertook the 1993 Bottom-Up Review to select the right strategy, force structure, modernization programs, and supporting industrial base and infrastructure to provide for America's defense in the new era.

In the course of the seven-month review, we used a step-by-step process to develop key assumptions, broad principles, and general objectives and to translate them into a specific plan for our strategy, forces, and defense resources. These steps included:

- Assessing the post-Cold War era, particularly the new dangers and opportunities it presents.
- Devising a defense strategy to protect and advance our interests in this new period.
- Constructing building blocks of forces to implement the strategy.
- Combining these force building blocks to produce options for our overall force structure and choosing among these.
- Complementing the force structure we chose with weapons acquisition programs to modernize our forces, defense foundations to sustain them, and policy initiatives to address new dangers and take advantage of new opportunities.
- The results of the Bottom-Up Review were then used to build a multi-year plan for America's security, detailing the forces, programs, and defense budgets the United States needs to protect and advance its interests in the post-Cold War era.
- Four broad classes of potential military operations were used in the Bottom-Up Review to evaluate the adequacy of future force structure alternatives:
 - Major regional conflicts (MRCs).
 - Smaller-scale conflicts or crises that would require U.S. forces to conduct peace enforcement or intervention operations.
 - Overseas presence — the need for U.S. military forces to conduct normal peacetime operations in critical regions.
 - Deterrence of attacks with weapons of mass destruction, against U.S. territory, U.S. forces, or the territory and forces of U.S. allies.
- The need to be able to fight and win two nearly simultaneous major regional conflicts drove the majority of our force structure and sizing decisions for general purpose forces. Overseas presence requirements were also an important

factor, especially for naval forces. Other smaller-scale operations such as peacekeeping and peace enforcement, as well as humanitarian assistance and disaster relief activities influenced the *shape* of our forces.

- There are two reasons why it is prudent to size our forces for two major regional conflicts. First, if our forces are fighting in one major regional conflict, we don't want a second potential aggressor to be tempted to launch an attack somewhere else in the world because he believes the United States can't respond to an attack on an ally or a friend. Second, a two-conflict strategy gives us enough forces in case a future adversary or coalition of adversaries arises who turns out to be larger or more capable than we originally thought.
- If a major regional conflict erupts, we will deploy a substantial portion of our forces stationed in the United States and draw on our overseas presence forces to put in place the capabilities needed to first halt and then defeat an aggressor. If we feel it is prudent to do so, we can keep other forces engaged in a smaller-scale operation like peacekeeping while responding to a single MRC.
- If a second MRC breaks out shortly after the first, we will need to pull together and deploy another building block of forces to assist our allies in the threatened area in halting and defeating the second aggressor. The forces for that effort would come from a further reallocation of overseas presence forces, any forces still engaged in smaller-scale operations, and forces based in the United States. These forces would include a combination of air, ground, and maritime units that would be deployed concurrently with those dispatched to the first MRC. Selected high-leverage and mobile intelligence, command and control, and air capabilities would be redeployed from the first MRC to the second as circumstances required.
- Based on comprehensive assessment of U.S. defense needs, we determined that the force structure shown below, which will be reached by about the end of the decade, can carry out our strategy and meet our national security requirements.

Army	10 divisions (active) 5+ divisions (reserve)
Navy	11 Aircraft carriers (active) 1 aircraft carrier (reserve/training) 45-55 attack submarines Approximately 340 total ships
Air Force	13 fighter wings (active) 7 fighter wings (reserve) Up to 184 bombers (B-52H, B-1, B-2)
Marine Corps	3 Marine Expeditionary Forces 174,000 personnel (active end-strength) 42,000 personnel (reserve end-strength)
Strategic Nuclear Forces (by 2003)	18 ballistic missile submarines Up to 94 B-52H bombers 20 B-2 bombers 500 Minuteman III ICBMs (single warhead)

- We are also undertaking several critical forces enhancements which will ensure that our force structure will be able to meet the objectives of our national security strategy.
 - **Strategic mobility enhancements.** We plan to add new military airlift aircraft and new roll-on, roll-off sealift ships to improve our ability to deliver our forces and equipment to distant battle areas and sustain them there.
 - **Improved early arriving capability to halt an enemy's invading forces.** There are a number of enhancements we are undertaking to ensure that we will be able to have a robust force in theater during the crucial opening stages of a conflict.
 - *First*, we are going to preposition more equipment, including Army heavy brigade sets ashore and afloat in key areas of U.S. interest.
 - *Second*, we are pursuing new technologies, such as smart anti-armor weapons, which will bring more lethal firepower to the conflict quickly.
 - *Third*, we are going to be increasing the number of strike aircraft and air crews on early arriving carriers to beef up their firepower and sortie rates.
 - *Fourth*, we are retaining more Marine Corps force structure to provide us with more ready and capable Marine expeditionary forces than were planned for the Base Force.
 - **Added Army reserve capabilities.** We also are restructuring the reserve forces so that they can provide highly trained forces more quickly than before to contribute to our combat and support units involved in these theater conflicts.

THE BOTTOM-UP REVIEW AND OVERSEAS PRESENCE

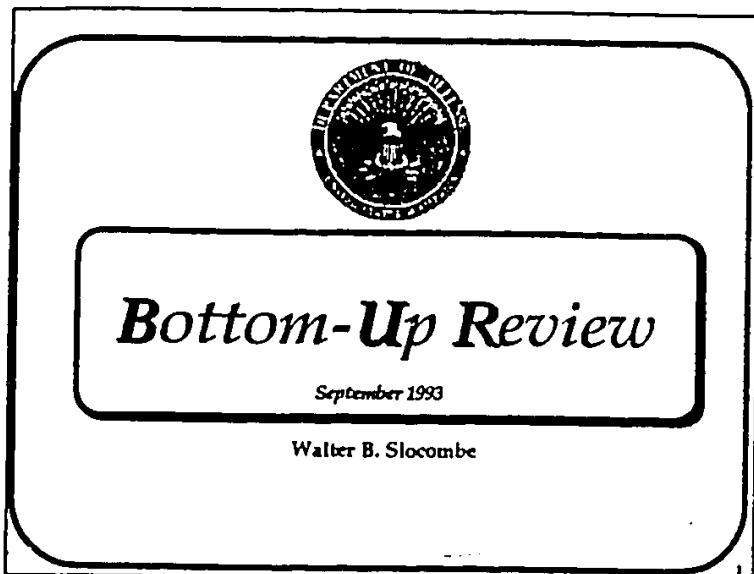
- U.S. forces deployed abroad protect and advance our interests and perform a wide range of functions that contribute to our security.

EAST ASIA AND PACIFIC

- In Northeast Asia, we also plan to retain close to 100,000 troops. As recently announced by President Clinton, our commitment to South Korea's security remains undiminished, as demonstrated by the one U.S. Army division (consisting of two brigades deployed forward) and one wing of U.S. Air Force combat aircraft we have stationed there. In light of the continuing threat of aggression from North Korea, we have frozen our troop levels in South Korea and are modernizing South Korean and American forces on the peninsula. We are also exploring the possibility of prepositioning more military equipment in South Korea to increase our crisis-response capability. While plans call for the eventual withdrawal of one of our two Army brigades from South Korea, President Clinton recently reiterated that our troops will stay in South Korea as long as its people want and need us there.
- On Okinawa, we will continue to station a Marine Expeditionary Force and an Army special forces battalion. In Japan, we have homeported the aircraft carrier *Independence*, the amphibious assault ship *Belleau Wood*, and their support ships. We will also retain approximately one and one-half wings of Air Force combat aircraft in Japan and Okinawa, and the Navy's Seventh Fleet will continue to routinely patrol the western Pacific.
- In Southeast Asia, with the loss of our bases at Clark and Subic in the Philippines, our focus has turned away from permanent basing structures toward establishing access arrangements with many nations in the area. These new arrangements range from the formal access agreement negotiated with Singapore to the arrangements under consideration with countries such as Malaysia, Australia and Thailand to provide our forces in the area with bilateral and multilateral training opportunities and to assist with repair, maintenance and logistics support. These arrangements will allow U.S. forces to maintain their ability to deploy quickly to any location within the region and to sustain that deployment as long as necessary.

NEAR EAST AND SOUTH ASIA

- In Southwest Asia, the absence of a large-scale U.S. military presence will continue to necessitate heavier reliance on periodic deployments of forces, rather than routine stationing of forces on the ground. The Navy's Middle East force of four to six ships, which has been continuously on patrol in the Persian Gulf since 1947, will remain. In addition, we plan to keep a brigade-sized set of equipment in Kuwait to be used by rotating deployments of U.S. forces that will train and exercise there with their Kuwaiti counterparts. We also are exploring options to preposition a second brigade set elsewhere on the Arabian peninsula.

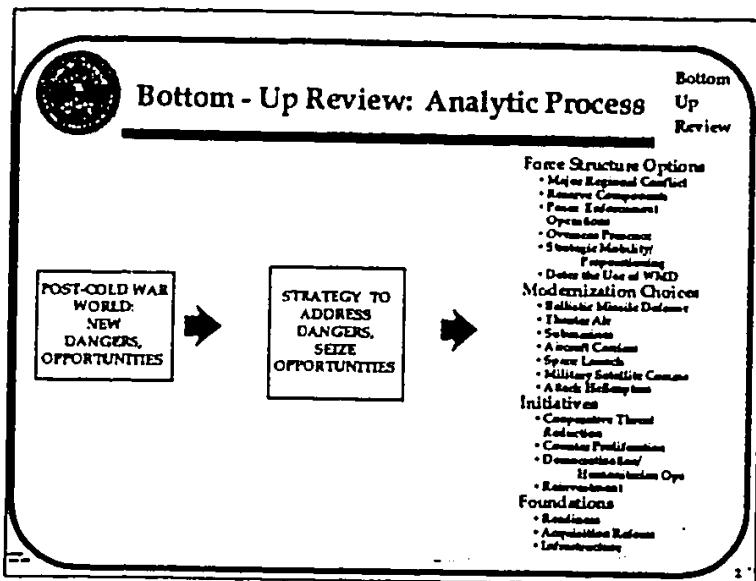


Slide 1

A DESCRIPTION OF THE BOTTOM UP REVIEW

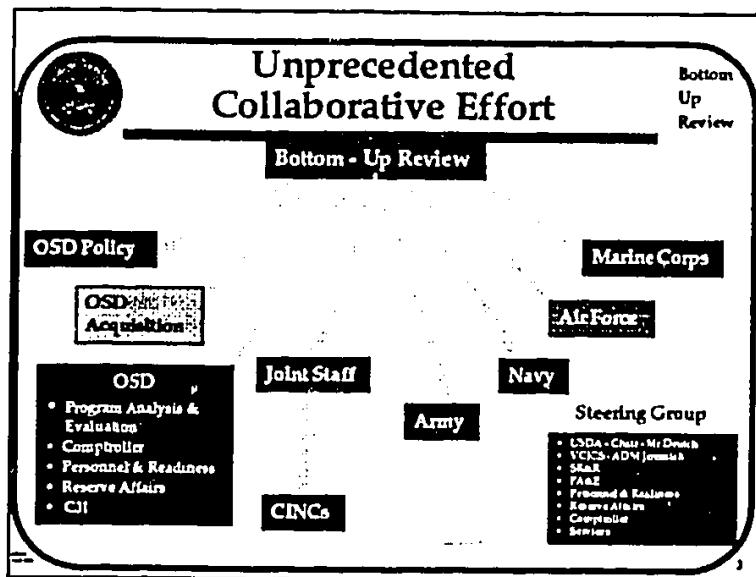
The recently completed Bottom-Up Review has been Secretary Aspin's primary vehicle for redefining U.S. defense strategy, force structure, and modernization programs in light of the dramatic changes in the global security environment. I'd like to show you how we did this analysis, and give you some of the results, with a particular emphasis on our future military capabilities as they relate to Europe.

With the end of the Cold War and the break up of the former Soviet Union, DoD had to analyze the dangers posed in the new era, formulate a new defense strategy, and develop plans to restructure our armed forces and defense programs to address these dangers to U.S. interests. And indeed, we have recast American defense strategy, forces, programs and budgets from the bottom up.



Slide 2 & 3

This really was an all inclusive review. We examined every aspect of the operations of the Department of Defense--from defense strategy and planning assumptions to management and infrastructure. And, this analysis was conducted by task forces with representation from all sides of DoD: Services, CINCs, Joint Staff, OSD staff.



New Dangers

Bottom
Up
Review

- **Proliferation of Nuclear Weapons and Other Weapons of Mass Destruction, Delivery Systems**
 - Other Countries - North Korea, Iraq, etc.
 - Former Soviet Union
- **Regional Dangers**
 - Large-Scale Aggression, Intimidation
 - Ethnic, Religious, and Internal Conflict
 - State-Sponsored Terrorism
- **Dangers to Democracy, Reform and Civil Order**
 - In the Former Soviet Empire
 - In Developing World
- **Dangers of a Weak Economy**
 - Lack of Domestic Prosperity
 - Lack of International Competitiveness
 - Lack of Environmental Security

Slide 4

We looked at future dangers to U.S. interests in the post-Cold War world and found that they fall into four broad categories:

- o First are dangers posed by nuclear weapons and other weapons of mass destruction--both their proliferation, and the weapons which still exist in the former Soviet Union.
- o Second are regional dangers, including those posed by the threat of large-scale aggression by major regional powers; by smaller, often internal, conflicts based on ethnic or religious animosities; and by the potential for state-sponsored terrorism.
- o There is also the danger that the transition to democracy and the reform of the command economies will not take hold, or at least not peacefully--this danger exists everywhere, but especially in Russia and the other states of the former Soviet Union.
- o Finally, there are economic dangers to our national security, which could hamper our efforts to build a strong, competitive and growing economy. These dangers formed the basis for our strategy, forces and policies in the Bottom-Up Review. Although these dangers were identified as threats to US interests, in many ways, these are dangers we all face.

After identifying the dangers we face in the post-Cold War, post Soviet world, we developed a strategy to address the dangers and to seize the opportunities of the new security environment.



Strategy of Engagement, Partnership and Prevention

Bottom
Up
Review

Engagement to:

- Protect important U.S. interests and maintain American influence and improve cooperation in an increasingly interdependent world

Partnership to:

- Meet new dangers and seize new opportunities
- Sustain and adapt existing alliances
- Build new security relationships

Prevention to:

- Keep new threats / conflicts from arising

This ambitious strategy demands first-class military forces

Slide 5

Our strategy can be broadly characterized as one of engagement, partnership and prevention. We recognize that we need to remain engaged in the world in order to protect important US interests and maintain American influence.

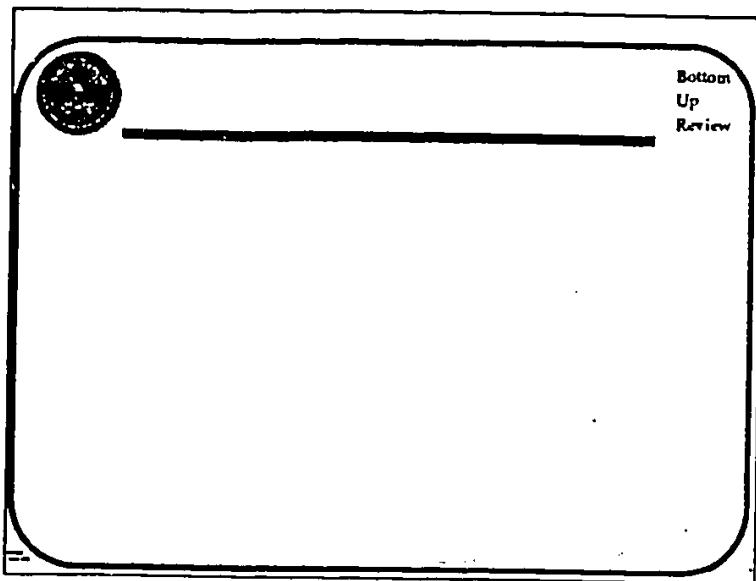
We also know that in order to effectively address the new dangers and take advantages of the opportunities now available in the post-Cold War world, we will need to sustain and adapt our alliances and friendships which were critical during the Cold War.

Simply put, in this highly interdependent world, it is not possible for any nation to protect itself unilaterally from these dangers. Effective strategy will demand multilateral cooperation.

Our existing alliances and organizations will certainly form the core of our partnerships, but we also need to build new security relationships among nations who have common values and objectives—such as promoting democracy, economic growth and free markets, and the peaceful resolution of conflict.

The greatest opportunity we have in this era is to prevent new threats and conflicts from arising, and this will be central to our overall strategy and to our multilateral cooperation.

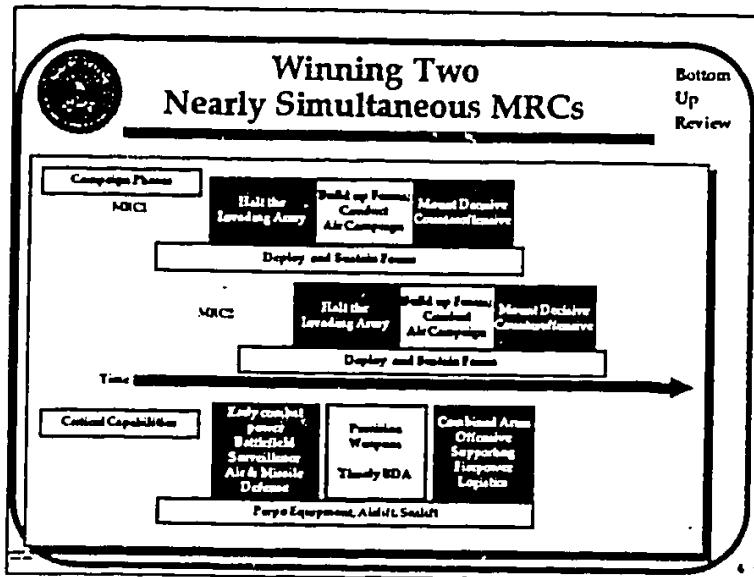
A continued willingness on the part of the United States to act as a security partner and leader will be an important factor in sustaining cooperation and being able to take actions to prevent crisis from occurring in the first place. We recognize this and have no intention of lessening that commitment. However, the end of the Cold War gives us the opportunity to adapt our alliances to meet the fast moving changes in the world, and begin now to define and create new and more inclusive, mutual expectations, arrangements, and institutions in the coming decades.



No Slide

Based on this strategy, our force structure was determined by constructing "building blocks" of forces needed to carry out key military missions, such as fighting and winning a major regional conflict (MRC), maintaining overseas presence, nuclear deterrence and participating in humanitarian assistance, peacekeeping and peace enforcement operations. These building blocks were then combined to produce options for our overall force structure.

The largest driver of our force structure is the requirement to be able to fight and win two nearly simultaneous major regional conflicts. This is prudent because 1) we need to avoid a situation in which the U.S., in effect, makes simultaneous wars more likely by leaving an opening for potential aggressors should our engagement in a war in one region leave little or no force available to respond effectively to defend our interests in another, and 2) it provides a hedge against the possibility that a future adversary, or coalition of adversaries, might one day confront us with a larger than expected threat.

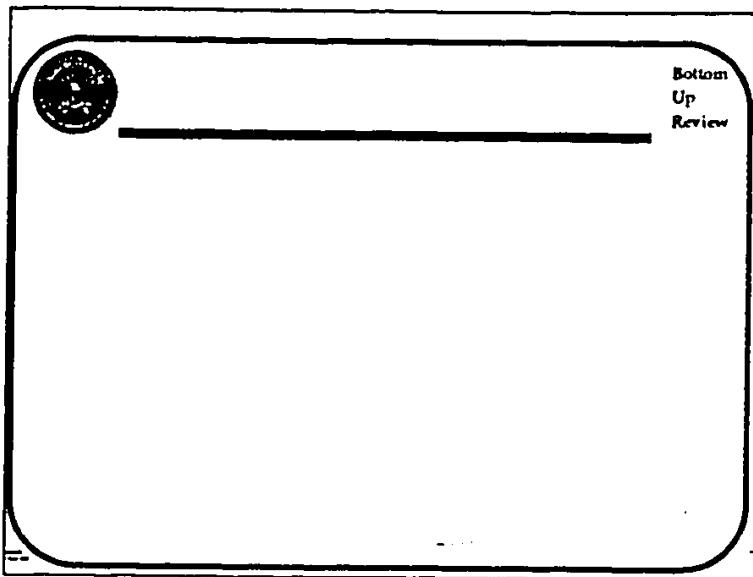


Slide 6

I'd like to spend a little time explaining the term, "nearly simultaneously." In this changed global environment, we no longer expect coordinated aggression. Hence, we believe that our two major regional conflicts will be separated by several weeks at least. That is, the bulk of the forces we would need to fight and win the first MRC will probably already be in theater by the time the second breaks out. We have the force structure to fight and win two MRCs at the same time without having to swing major force elements between them, but we simply do not have, nor do we think we need to purchase, the amount of sea and air lift which would be required to get our forces to two different regions simultaneously.

This slide also illustrates the phases of an MRC, and the critical capabilities needed in each phase.

- o The first job is to halt the invasion force--key to this effort is early arriving combat power, good battlefield surveillance and air and missile defense. And of course, our prepositioned equipment and forward deployed forces will be on the scene immediately
- o Second, we must build up our forces and conduct an air campaign to weaken the aggressor.
- o The final phase is mounting the counteroffensive with combined air, land and sea assets to decisively defeat the aggressor.



No Slide

We consider the military contributions of our coalition partners to be very important in countering large-scale regional aggression. Thus, in future contingencies involving common interests, the United States will continue to seek the participation of its friends and allies in military coalitions. But in many areas where our common interests may be threatened, we have no formal alliance structure to enable us to predict in advance which nations will participate, when, with what forces, and for which missions they will participate.

We assume that directly affected regional allies would participate in coalition operations in a given conflict. However, failing more formal commitments from other nations, it would be presumptuous for the United States to plan on significant military contributions from allies and friends outside the region. Therefore, the Bottom-Up Review results do not assume participation by the combat forces of particular nations beyond our known allies in a given region. However, this point highlights the need for us to work in concert with our security partners toward more serious military cooperation in areas critical to our shared interests. We must work toward coalition arrangements to thwart the new dangers we face in common throughout the world. We must do so to ensure that, when coalition partners join in battle, we have planned and trained together enough to be an effective fighting force. We must do so to ensure that, as we plan our future forces and defense budgets, we do not shoulder burdens alone for beneficial outcomes that will in fact be shared by others.

Overseas Presence

Bottom Up Review

Objectives

- Display U.S. commitment
- Deter regional aggression
- Prevent regional arms races
- Improve coalition effectiveness
- Provide initial response

Slide 7

The other principal determinant of force structure is the need to sustain visible U.S. military presence in key regions during peacetime. Maintaining a credible overseas military presence in several key regions of the world is crucial to the new American strategy.

Despite the end of the Cold War, the United States must remain actively engaged in regions where we have important allies and interests. Our peacetime presence deters adventurism and coercion by potentially hostile states, reassures our friends, enhances regional stability, encourages democratic evolution within armed forces of emerging democracies, and improves our ability to respond effectively and in a timely manner to crises or aggression when they occur.

The nature and levels of our peacetime overseas presence will be adjusted in light of the dissolution of the Soviet Union and the threat it posed, but the multilateral and bilateral military partnerships which won the Cold War remain crucial to protecting U.S. interests. Given the global nature of many of the dangers we now face, we cannot hope to meet these challenges alone.

Our forces stationed and periodically deployed abroad allow us to work closely with our allies and engage in cooperative efforts to head off these dangers before they arise and to take advantage of opportunities to advance our shared interests wherever possible.

Overseas Presence

Bottom
Up
Review

- Europe - About 100,000 troops
- East Asia - About 98,000 troops
 - Korea
 - 2 Army brigades
 - Air Force wing
 - Expanded prepositioning
 - Japan
 - Carrier battle group
 - Amphibious ready group
 - Marine Expeditionary Force
 - Marine airwing
 - Air Force wings
- Southwest Asia
 - Periodic deployments of naval, air and ground forces
 - Expanded prepositioning
 - Global Maritime Presence

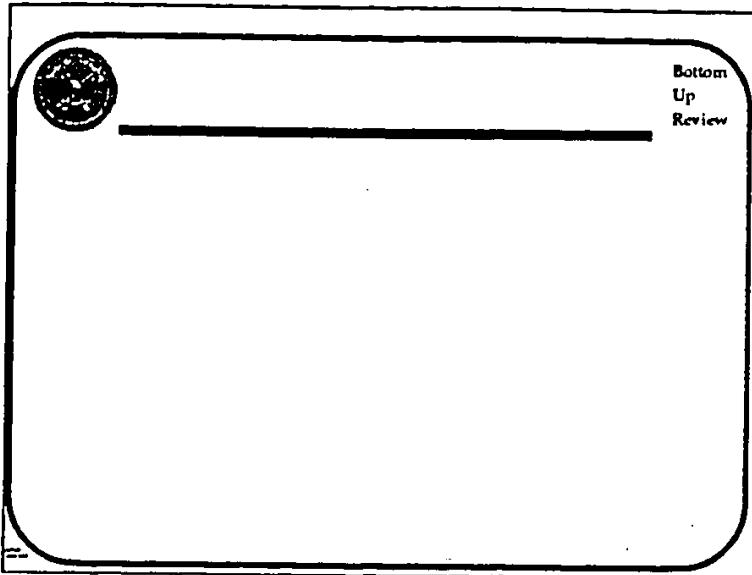
Slide 8

The United States has important, long-standing political, economic, military and cultural ties to Europe. The threat of a Soviet invasion has been replaced with less ominous but more unpredictable threats to stability in Europe. The rise of ethnic nationalism and the uncertain transition to democracy in the former Soviet Union and some of the communist countries in Central and Eastern Europe have produced serious suffering and population dislocations at a time when Western Europe is seeking closer political and economic integration.

We are looking to continue U.S. leadership in a reinvigorated NATO, the bedrock of European security for over four decades. Our main objectives in Europe are just what they have always been -- to deter conflict in Europe and elsewhere that could threaten the interests of the Atlantic community. However, we now have an unparalleled opportunity to support the spread of democracy throughout Europe and to help resolve conflict elsewhere.

Our forces deployed in Europe demonstrate our ongoing commitment to European security and help to meet the U.S. commitment to the new NATO force structures (such as multinational corps). We will continue to maintain a credible overseas presence in Europe. But now that the Cold War is over and the Warsaw Pact has dissolved, we can afford to reduce the level of American presence to approximately 100,000 U.S. military personnel without undercutting our strong commitment to the trans-Atlantic security partnership.

We will maintain a corps headquarters, with support units, and two heavy Army divisions consisting of 2 brigades each, as well as approximately two and one-third Air Force fighter wings in the European theater. In addition, there will be five brigade-sized sets of Army prepositioned equipment and one set of forward deployed Marine Corps equipment. The Navy's Sixth Fleet will continue to routinely patrol the Mediterranean.



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In addition to traditional missions at maneuver warfare, we will continue to emphasize "new mission"--chiefly peacekeeping or peace enforcement--in the training we give these forces.

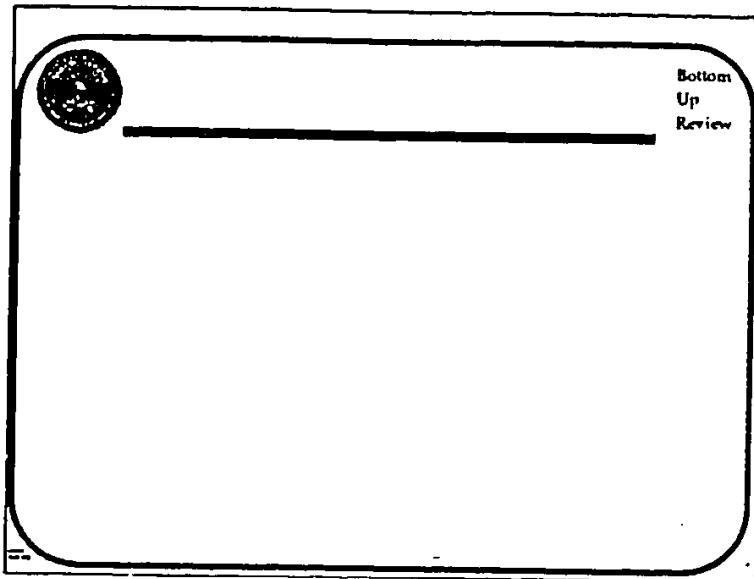
But overseas presence is not just our forces stationed overseas. It also includes military-to-military contacts with other armed forces around the world.

During peacetime our forces also serve as representatives of the United States to nations around the world. As such, they serve as models of what armed services in liberal, democratic societies should be, and they demonstrate the proper relationships of military forces to civilian political leadership. This type of presence will form the bulk of our plans in Latin America, Africa, and Eastern Europe.

In the case of Eastern Europe, the U.S. has begun a number of initiatives to encourage increased contacts and interaction with the emerging democracies. These range from individual and unit exchanges to reciprocal visits to seminars and professional development sessions.

Among the key initiatives are the establishment of a Joint Contact Team Program sponsored by the U.S. European Command which consists of small contact teams which are sent to interested nations to share western expertise in specific subject areas; enhanced military-to-military contacts sponsored by the CJCS with Eastern Europe and the states of the former Soviet Union; and the creation of the Marshall Center in Garmisch, Germany, as a forum for defense contacts and for providing defense education to civilian and military personnel from Eastern Europe and the former Soviet Union.

Although these initiatives are still in their infancy, the U.S. has already completed over 170 exchanges with eleven countries of Eastern Europe and the former Soviet Union. We hope and expect that this rate will double in the coming year.

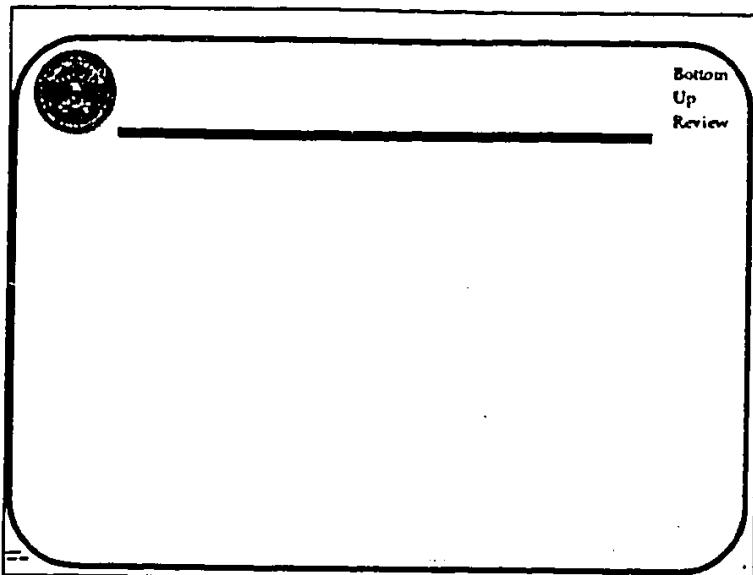


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East Asia (if needed)

The United States has long been actively engaged in Asia, and we have important economic, political, military and cultural ties to many of the nations of East Asia. Yet major uncertainties exist regarding East Asia's future stability. Despite recent positive trends toward political liberalization and market-oriented economic reforms, the region continues to be burdened by unresolved territorial disputes, communist regimes facing transitions with unknown consequences for regional stability, a divided Korea, the emergence of nationalism amidst long-standing rivalries, and the threat of proliferation of weapons of mass destruction. Our economic prospects, the promotion of democratic values and human rights, and our traditional security interests all require sustained U.S. engagement in Asia. Asian security is founded on a balance of power, and the United States has an important role to play as the regional balancer.

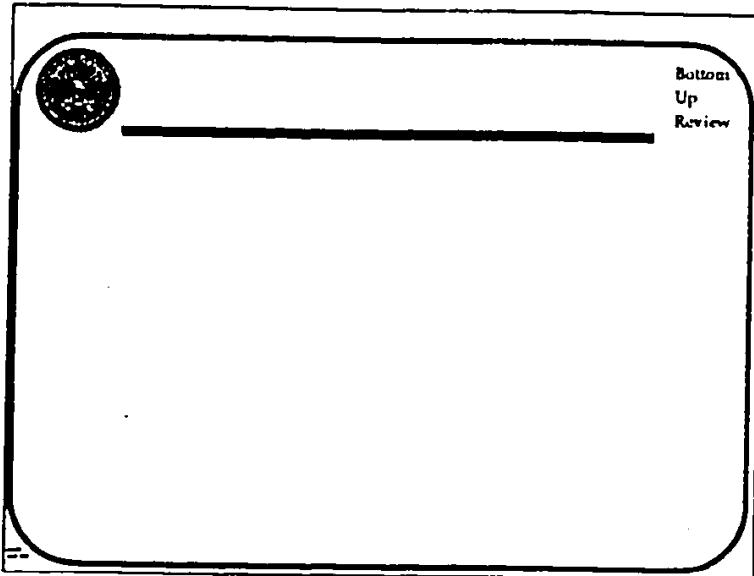
We will sustain and adapt our alliances and relationships in this region to meet the new challenges of the post-Cold War era. To support this effort, we will maintain sufficient forward-deployed forces in Japan and Korea to reassure our regional allies and friends, to discourage destabilizing military rivalries and proliferation of weapons of mass destruction, to secure freedom of the seas, to deter threats to our key political and economic interests and to preclude any hostile regional power from attempting to dominate the region.



No Slide

Overall	Close to 100,000 troops in region 7th Fleet
Korea	Army Division (2 brigades, headquarters and support) 1 USAF wing of combat aircraft Expanded prepositioning 6,500 personnel withdrawal on hold pending resolution of North Korean nuclear situation
Japan/ Okinawa	1 Marine Expeditionary Force Independence and battle group forward deployed Belleau Wood and support ships 1.5 USAF wings of combat aircraft Marine Airwing

In Southeast Asia, with the loss of our bases at Clark and Subic in the Philippines, our focus has turned away from permanent basing structures toward establishing access arrangements with many nations in the area. These new arrangements range from the formal access agreement negotiated with Singapore to the arrangements under consideration with countries such as Malaysia, Australia and Thailand to provide our forces in the area with bilateral and multilateral training opportunities and to assist with repair, maintenance and logistics support. These arrangements will allow U.S. forces to maintain their ability to deploy quickly to any location within the region and to sustain that deployment as long as necessary.



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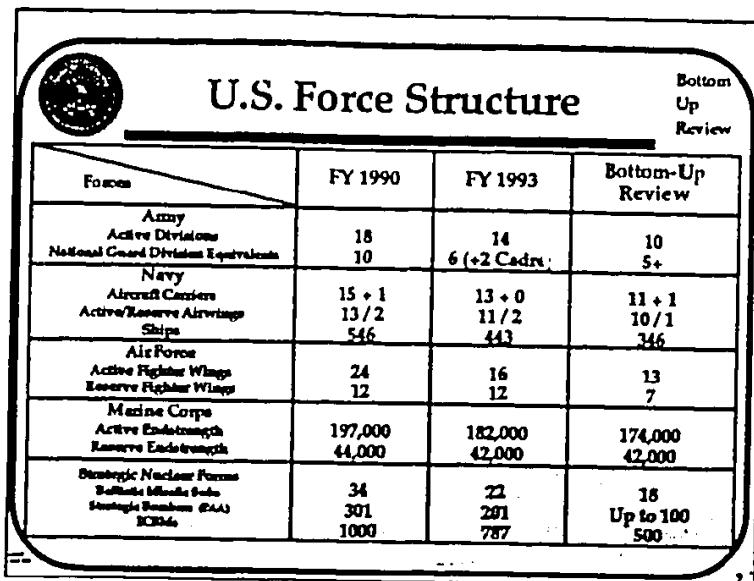
South West Asia (if needed)

The United States has important and enduring interests in Southwest Asia. Here, perhaps more than in any other region in the world, potential sources of instability merge with important American interests to demand determined U.S. efforts to reinforce stability and deter conflict. The Gulf War is only the most recent reminder of this. Our military presence in this region is central to maintaining secure access to this region's vital petroleum reserves, deterring threats to our key allies in the area, stemming the spread of weapons of mass destruction and their associated delivery systems, and retaining unhindered maritime and air transit rights throughout the region.

Overall Periodic deployments of air and ground forces

Continuous naval presence

Expanded prepositioning--to add to prepo in Diego Garcia



U.S. Force Structure

Bottom Up Review

Forces	FY 1990	FY 1993	Bottom-Up Review
Army Active Divisions National Guard Divisions Equivalent	18 10	14 6 (+2 Cadre)	10 5+
Navy Aircraft Carriers Active/Reserve Air Wings Ships	15 + 1 13 / 2 546	13 + 0 11 / 2 443	11 + 1 10 / 1 346
Air Force Active Fighter Wings Reserve Fighter Wings	24 12	16 12	13 7
Marine Corps Active Endstrength Reserve Endstrength	197,000 44,000	182,000 42,000	174,000 42,000
Strategic Nuclear Forces Ballistic Missile Subs Strategic Bombers (B-52s) ICBMs	34 301 1000	22 291 787	18 Up to 100 500

Slide 9

We examined a number of force structure options and their ability to support our strategy of fighting and winning two nearly simultaneous major regional conflicts, and carry out our overseas presence missions effectively.

The major force structure decisions follow:

- Army: 10 active divisions; 5+ reserve divisions
- Navy: 11 active carriers plus one for training and limited deployment missions; other ships to approximately 340.
- Air Force: 13 active wings; 7 reserve wings.
- Marines: same force structure, end strength at 174,000.

To this we have also added some critical force enhancements--these are really the key to our "Win-Win" strategy. Our force enhancements will enable us to get more combat power to the theater early in a conflict and to halt an enemy invasion more quickly. These enhancements will not only help us to stop an invading force, but should also help to deter an invasion in the first place. Some of these critical enhancements are:

- o Additional Army prepositioned equipment;
- o Enhanced sea and airlift;
- o Upgraded antitank and precision guided munitions;
- o Increased early arriving naval air assets; and
- o Enhanced readiness of Army National Guard and reserve support units.

Modernization

Bottom
Up
Review

- Ballistic Missile Defense
- Theater Air
- Attack Submarines
- Aircraft Carriers
- Space Launch
- Military Satellite Communication
- Attack and Reconnaissance Helicopters

Slide 10 & 11

Modernization decisions--The Bottom-Up Review also carefully examined our planned acquisitions and made decisions on modernization initiatives in seven core areas: theater air, attack and reconnaissance helicopters, ballistic missile defense, aircraft carriers, attack submarines, space launch vehicles, and military satellite communications.

We examined each of these areas with many issues in mind, but above all, ensured that our decisions were driven by our new strategy for meeting the four dangers.



Key Considerations

Bottom
Up
Review

- Driven by New Dangers and New Strategy
- Prospects for Technology
- Different Nuclear Threat
- Industrial Base
- Acquisition Strategy
- International Cooperation

Consideration of Effectiveness and
Cost of Alternatives

Initiatives

Bottom
Up
Review

- Cooperative Threat Reduction
- Counterproliferation
- FSU Defense/Military Partnership
- Promotion of Democracy through Military-to-Military Contacts
- Peacekeeping
- Humanitarian Assistance and Disaster/Famine Relief

Slide 12

This new world we are living in is distinctive because of the new opportunities it presents for us to advance our interests -- by preventing or defusing dangers before they arise. Accordingly, we have focused a lot of attention on finding ways to work pro-actively in this new environment to take advantage of such opportunities. Chief among these initiatives are:

- o Cooperative Threat Reduction
- o Counterproliferation
- o FSU Defense/ Military Partnership
- o Promotion of Democracy through Military-to-Military Contacts
- o Peacekeeping
- o Humanitarian Assistance and Disaster/ Famine Relief

Infrastructure

Bottom
Up
Review

Eliminate Excess Infrastructure

- Close or realign bases
- Consolidate training, maintenance and supply
- Reduce costly overhead

Reform the defense acquisition process

Slide 13

The Bottom-Up Review also looked at our infrastructure. We will be pursuing ways of reducing excess infrastructure and reforming our acquisition system.

**Bottom-Up Review:
What Does It Change?**

Bottom
Up
Review

- *Defense Strategy*
- *Defense Planning Assumptions*
- *Force Sizing Criteria*
- *Modernization Criteria*
- *Role of Defense - Initiatives*
- *Management of Infrastructure and Defense Foundations*

Slide 14

Conclusion:

What the Bottom-Up Review examined and changed. (Straight from the chart)

- Defense Strategy
- Defense Planning Assumptions
- Force Sizing Criteria
- Modernization Criteria
- Other Roles of Defense in the New Era--Initiatives
- Management of Infrastructure and Defense Foundations

As a result of this review, we feel that we are creating a defense program

which can provide the capabilities needed to meet the challenges of the new security environment.